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# FY02 AMMUNITION BUDGET ANALYSIS

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- EXPECT MODEST CHANGES IN FY02 AMMUNITION BUDGETS
- WILL BE DIFFICULT TO OBTAIN LARGE FUNDING ADDITIONS BY CONGRESS
  - DO EXPECT PUSH AROUNDS

**BOTTOM LINE : CAPABILITIES ARE AT RISK**

# FY02 AMMUNITION PROCUREMENT (\$M)

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	<u>ARMY</u>	<u>NAVY</u>	<u>MARINE</u> <u>CORPS</u>	<u>AIR</u> <u>FORCE</u>	<u>DEFENSE</u>	<u>DOD</u>
BUDGET	1,193	314	144	863	50	2,563
PUTS	+94	+10	+14	+6	0	+124
TAKES	- 67	- 10	- 9	- 5	- 1	- 92
NET	+27	0	+5	+1	- 1	+ 32
APPROPRIATION	1,220	314	149	864	49	2,596

# AMMUNITION COMMUNITY ISSUES

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- WAR RESERVE SHORTAGES
- TRAINING AMMO SHORTAGES
- DETERIORATING STOCKPILE
- OUTLOADING DEFICIENCIES
- LITTLE SURGE CAPABILITY
- REPLENISHMENT CAPABILITY INADEQUATE
- FRAGMENTED MANAGEMENT
- DECLINING RDE CAPABILITIES
- DIMINISHED BASE CAPABILITIES
- ETC.

# STATE OF THE INDUSTRY

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- IMPROVED FINANCIALLY SINCE 1994
- OVERALL CAPABILITIES HAVE DECREASED
- DEPENDENCE ON OVERSEAS SOURCES HAS GROWN
- MORE SINGLE SOURCES

# NAVY WISDOM

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**ANY WIND IS A FAIR WIND IF YOU DON'T  
KNOW WHERE YOU'RE HEADED !**

# STEP ONE

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RECONCILE DISCONNECTS BETWEEN NEAR  
TERM CINC REQUIREMENTS AND SERVICES'  
END OF POM REQUIREMENTS

# SECOND STEP

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RESTORE FULLY INTEGRATED  
INDUSTRIAL BASE PLANNING



# THIRD STEP

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**SUSTAIN NEEDED CAPABILITIES**

# THIRD STEP

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## SUSTAIN NEEDED CAPABILITIES

**“DEFENSE INDUSTRIES CANNOT BE INVENTED ON THE EVE OF A NATIONAL EMERGENCY . . . . DEFENSE INDUSTRIES MUST BE MAINTAINED IN PEACETIME AS WELL AS IN WAR, WITH THE ABILITY TO RAMP UP AS NEEDED.”**

**PETE ALDRIDGE**

# FOURTH STEP

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**FUND A ROBUST AMMUNITION**

**MANUFACTURING TECHNOLOGY**

**(MANTECH) PROGRAM**

# INITIAL STEPS

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- RECONCILE DISCONNECTS IN REQUIREMENTS
- RESTORE FULLY INTEGRATED INDUSTRIAL BASE PLANNING
- SUSTAIN NEEDED CAPABILITIES
- ROBUST AMMUNITION MANUFACTURING TECHNOLOGY PROGRAM

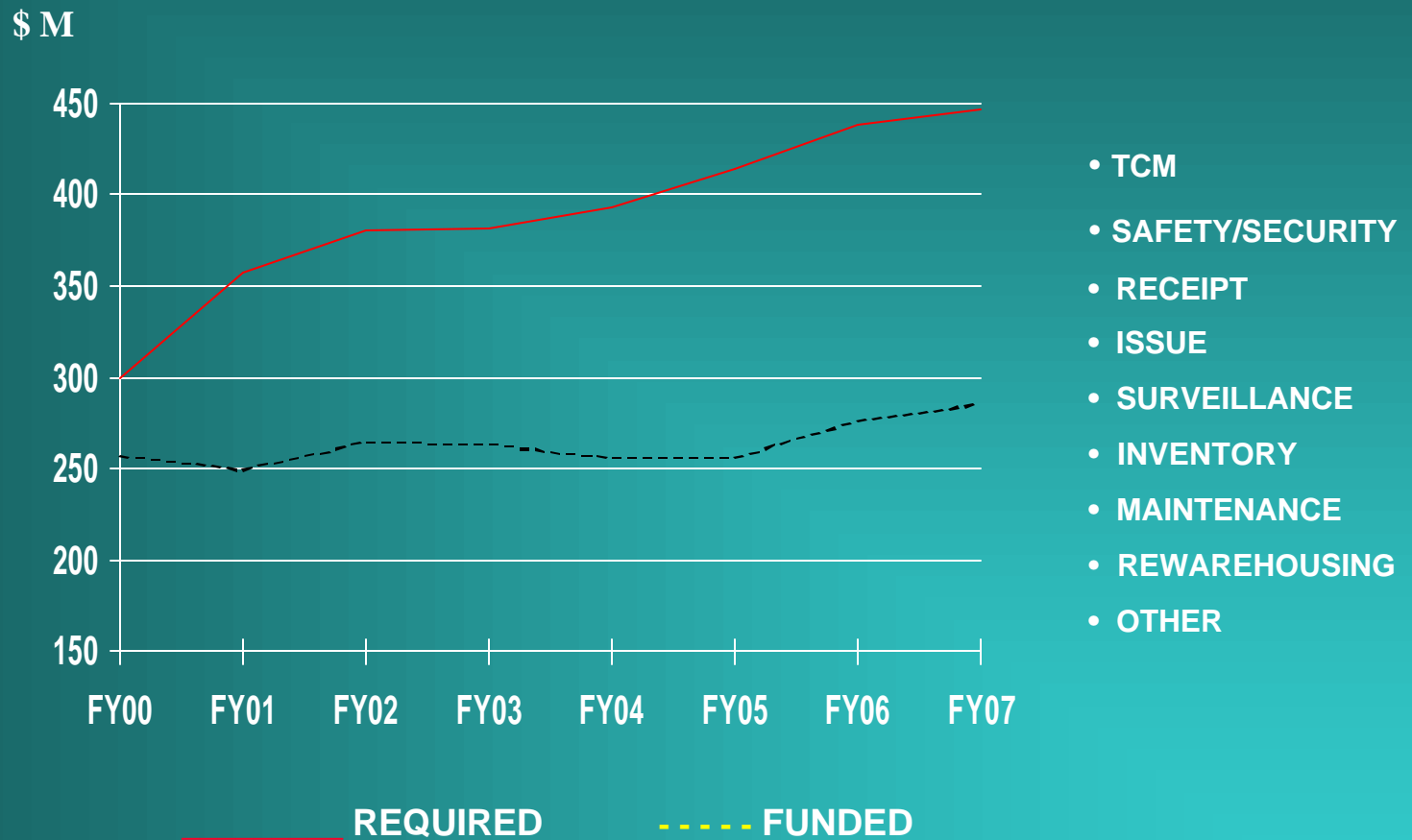
# MAJOR FUNDING ISSUES

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- OPERATION AND MAINTENANCE FUNDING  
FOR AMMUNITION

# OMA FUNDING FOR CONVENTIONAL AMMUNITION

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NOTE: CHART DOES NOT INCLUDE TCM FUNDING

# MAJOR FUNDING ISSUES

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- OPERATION AND MAINTENANCE FUNDING FOR AMMUNITION
- OUTLOADING CAPABILITIES
- AMMUNITION LOGISTICS SYSTEM

# MAJOR FUNDING ISSUES

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- OPERATION AND MAINTENANCE FUNDING FOR AMMUNITION
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- AMMUNITION LOGISTICS SYSTEM

[ TO BE CONTINUED ]



# GOVERNMENT AMMUNITION MANUFACTURING CAPABILITIES

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WHAT, IF ANYTHING, SHOULD WE DO WITH THEM ?

# GOVERNMENT AMMUNITION MANUFACTURING CAPABILITIES

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WHAT, IF ANYTHING, SHOULD WE DO WITH THEM ?

- DO WE NEED THESE CAPABILITIES ?

# GOVERNMENT AMMUNITION MANUFACTURING CAPABILITIES

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WHAT, IF ANYTHING, SHOULD WE DO WITH THEM ?

- DO WE NEED THESE CAPABILITIES ?
- DO WE NEED TO DO ANYTHING WITH THESE CAPABILITIES ?

# THE MUNITIONS INDUSTRIAL BASE TASK FORCE

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**AEROJET  
ALLIANT TECHSYSTEMS  
ARMTEC DEFENSE PRODUCTS  
BT FUZE PRODUCTS  
CHAMBERLAIN MANUFACTURING  
DAY & ZIMMERMANN  
ENSIGN-BICKFORD  
GENERAL DYNAMICS  
KDI PRECISION PRODUCTS  
OLIN-WINCHESTER  
TALLEY DEFENSE  
TEXTRON SYSTEMS  
VALENTEC INTERNATIONAL**

**ADEQUATE FUNDING AND  
POLICIES TO SUSTAIN A  
RESPONSIVE CAPABLE U.S.  
MUNITIONS INDUSTRIAL BASE  
TO DEVELOP, PRODUCE, AND  
SUPPORT SUPERIOR MUNITIONS  
FOR THE U.S. AND ITS ALLIES.**

# FY03 DOD AMMO PROCUREMENT BUDGET (\$M)

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ARMY	ACTIVITY 1	1,046	
	ACTIVITY 2	113	
	TOTAL		1,159
NAVY			739
MARINE CORPS			276
AIR FORCE			1,130
SOF			<u>36</u>
TOTAL			3,340

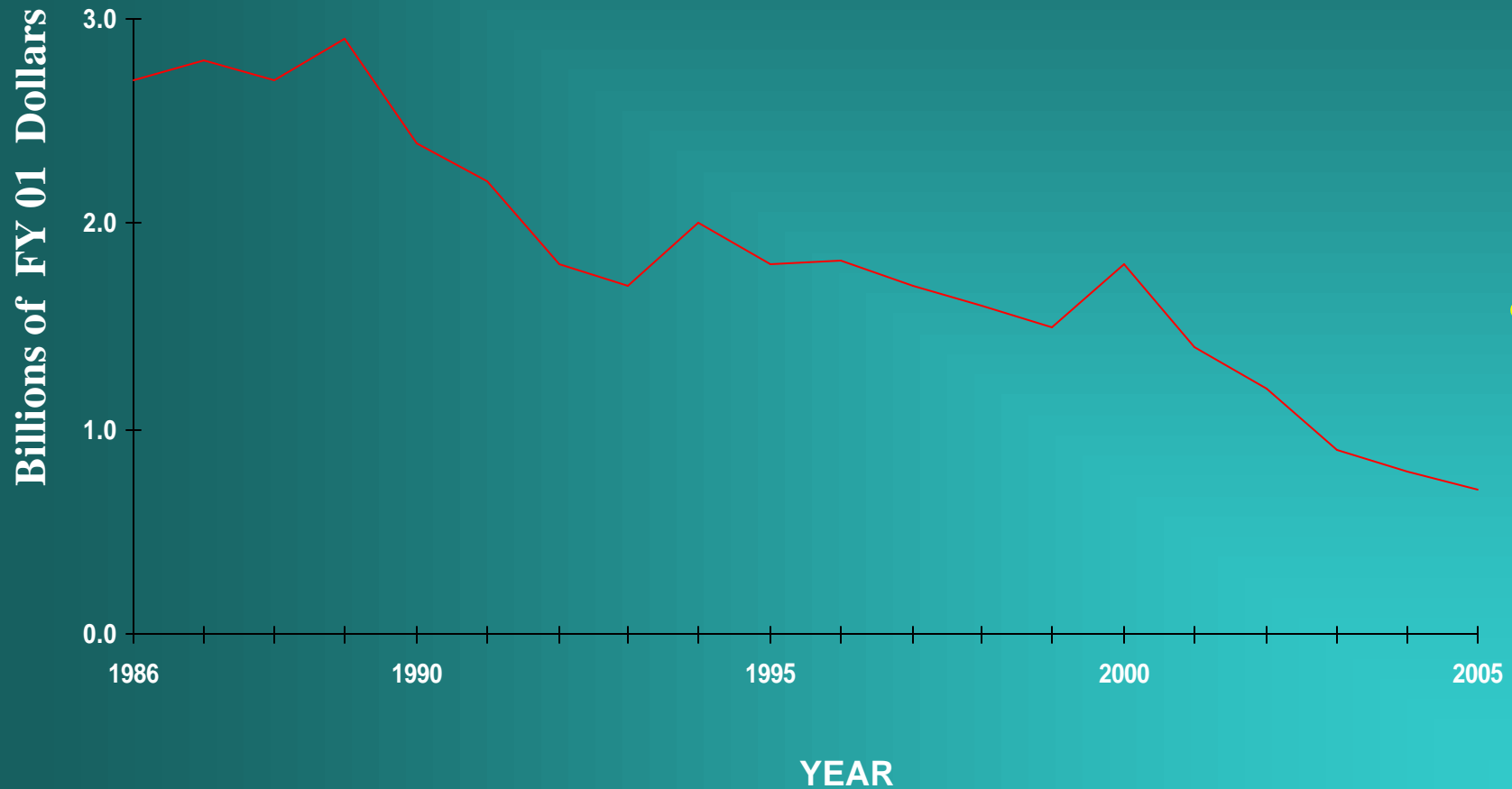
# AMMUNITION PROCUREMENT (\$M)

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	<u>FY03</u>	<u>FY02</u>	<u>FY95</u>
TOTAL	3340	2556	1941
BOMBS	(1272)	(710)	(196)
AIR CM	( 231)	(170)	( 50)
REMAINDER	1837	1676	1695
REMAINDER (94\$)	1545	1437	1650

# MUNITIONS RDT&E BUDGET

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# AMMUNITION BUDGET ANALYSIS

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- ❑ ANNUAL MIBTF ANALYSIS
- ❑ OBJECTIVE IS TO IDENTIFY FUNDING SHORTFALLS THAT THREATEN INDUSTRIAL SKILLS AND CAPABILITIES
- ❑ SERVICES' AMMUNITION BUDGETS ARE SEGREGATED BY PRODUCT AREA FAMILIES, (e.g., SMALL CALIBER, MORTAR, ETC.)
- ❑ AMMO FAMILY BUDGETS ARE ASSESSED AGAINST MINIMUM FUNDING LEVELS NEEDED TO MAINTAIN A FAMILY CAPABILITY
- ❑ ASSESS OTHER RELEVANT FACTORS
  - WAR RESERVE VERSUS TRAINING
  - CRITICAL SUBS
  - UNIQUE ROUNDS



# MAJOR FUNDING ISSUES

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- OPERATION AND MAINTENANCE FUNDING FOR AMMUNITION
- OUTLOADING CAPABILITIES
- AMMUNITION LOGISTICS SYSTEM
- MINIMALLY SUSTAIN INDUSTRIAL BASE CAPABILITIES

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- FUND CORE AMMUNITION TECHNOLOGY

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- REVERSE MUNITIONS RDTE FUNDING DECLINE

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- AMMUNITION LOGISTICS SYSTEM
- MINIMALLY SUSTAIN INDUSTRIAL BASE CAPABILITIES
- FUND CORE AMMUNITION TECHNOLOGY
- REVERSE MUNITIONS RDTE FUNDING DECLINE
- FUND ENOUGH WAR RESERVE AMMUNITION TO MODERNIZE SERVICE INVENTORIES

**“EITHER WE ACCEPT OUR ROLE AS THE  
SOLE GLOBAL SUPERPOWER AND... PROVIDE  
OUR MILITARY WITH THE ASSOCIATED  
NECESSARY RESOURCES, OR WE DECLINE  
THIS DIFFICULT RESPONSIBILITY. CONTINUING  
TO ATTEMPT TO FULFILL OUR SUPERPOWER  
RESPONSIBILITIES ON THE CHEAP IS  
SIMPLY NO LONGER AN OPTION.”**

**... CONGRESSMAN FLOYD SPENCE**

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